

## What Does the Milk Pooling Branch Do?

The Milk Pooling Branch administers the California Pooling Plan for Market Milk and works closely with the Dairy Marketing Branch to promote, foster and encourage the intelligent production and orderly marketing of farm milk. Through the statewide pooling of revenue from dairy processors and re-distribution of those pooled revenues to dairy farmers, gradual equalization of raw product costs is achieved. This pooling of revenues with regulated distribution to dairy farmers helps ensure dairy farmers receive an equitable and fair price for the milk they produce. These activities maintain satisfactory marketing conditions and assist in providing stability and prosperity to California's 2,200 dairy farmers.

The Milk Pooling Branch is divided into three principal units:

1. **The Operations Unit**
2. **The Pooling Audit Unit**
3. **The Producer Payments Unit**

**The Operations Unit** is responsible for calculating and announcing producer pool prices each month based upon milk receipts and usage reports submitted by milk handlers and minimum classified prices announced by the Dairy Marketing Branch. The Operations Unit also records quota transfers between dairy producers and assigns producer and handler numbers to new entities. The Operations Unit sends out processor and producer statements each month and collects equalization and program assessment payments from processors. The Operations Unit also works closely with Economists and Research Analysts in the Dairy Marketing Branch regarding economic analysis of proposed changes in the Pooling Plan and Stabilization and Marketing Plans for Market Milk.

**The Pooling Audit Unit** is responsible for facilitating the proper reporting of milk receipts and usage by dairy handlers each month through education and training and by routinely reviewing processor records. The Audits Unit assists the Producer Payments Unit with training and monitoring of payments by processors to producers. In order to avoid duplicative review of processor records, the Audit Unit has entered into a cooperative agreement with USDA to ensure proper reporting and payment of assessments for national promotion and education programs. The Audits Unit also is responsible for determining the proper classification of new dairy products and dairy-product formulations introduced by processors.

**The Producer Payments Unit** is responsible for ensuring that all producers in the state are paid properly and timely by the milk handler to whom they ship their milk. The Producer Payments Unit works with the Operations Units in both the Milk Pooling and Dairy Marketing Branches to license milk processors and (when required) to ensure that processors post a surety bond with the Department. The Unit conducts routine producer-payments reviews of dairy cooperatives and processors. The Producer Payments Unit also administers the Milk Producers Security Trust Fund (MPSTF) with guidance and oversight of the MPSTF Board of Directors. The Trust Fund exists to reimburse dairy producers should a milk processor default on payments to producers. Finally, the Producer Payments Unit assists the Pooling Operations Unit with the collection of delinquent Pool Equalization and Program Assessment payments from milk processors.